

Meeting Summary

Salmon Recovery Funding Board Issues Task Force

January 8, 2004, 7:00 p.m. – 10:00 p.m. and January 9, 2004, 8:30 a.m. – 3:00 pm
Olympia, WA

Members Present

Steve Tharinger, Chair; Craig Partridge; Doug St. John; Steve Leider; Jim Kramer; Steve Martin (via phone); Tim Smith; Tom Laurie; Jeff Breckel; Jim Fox.

Also present: Brian Walsh, Rollie Geppert, and Dave Renstrom.

Fifth Grant Round: Regional Planning and Project Prioritization

The meeting opened with discussion regarding the use of a portion of the first increment of Fifth Round funding to reward lead entities that are planning at a regional level. The ITF concluded that lead entities that are undertaking salmon recovery planning at a regional level* and are prioritizing habitat restoration and protection projects across the region should receive an additional increment of SRFB grant funds. The only lead entities meeting these criteria at this time are the Lower Columbia and the Snake. The ITF recommends to the SRFB that the project lists from these lead entities share in 2% of SRFB funding in addition to that received for the first and second increments. If the total amount available for the Fifth Round is \$26 million, this would result in an additional \$260,000 for each of the two lead entity lists. The ITF recommended that the SRFB *consider* increasing the 2% to 4%, which would result in \$520,000 for each project list.

Evaluating How Well a Project List Fits the Lead Entity Strategy

The SRFB's Review Panel will evaluate how well each lead entity's list of projects addresses the priorities identified in the lead entity strategy and the specificity and focus of the strategy. The ITF reviewed the evaluation questions proposed in the 12/22/03 revision of Attachment III to *The Fifth Grant Round: Decisions Made by the Salmon Recovery Funding Board at its December 4-5, 2003 Meeting*. The ITF supported the approach presented in Attachment III, where the Review Panel evaluates the "fit to strategy" and "strategy specificity" using a series of scored evaluation questions. The ITF recommended changes in the evaluation questions, which will be incorporated into a second revision of Attachment III and circulated to lead entities for comment prior to the February 19-20 SRFB meeting.

* One of Washington's seven salmon recovery regions.

How Will the SRFB Use Review Panel Scores to Make Fund Allocations?

The ITF discussed how the Review Panel's scores for "strategy specificity" and "fit to strategy" would be used by the SRFB to decide how much funding to apply to each lead entity list. It was agreed that lead entity lists with a higher score for "specificity" and "fit" should receive a greater portion of the second increment of funding than lists with lower scores. Several approaches for translating scores to allocations were discussed without a final recommendation. Three approaches will be offered to the Board.

Approach 1. Funds would be allocated to each list based on the number of points received from the Review Panel. The total funding available for the second increment would be divided by the total number of points received for the 24 lead entity lists. This calculation would produce a certain number of dollars per point. This number, in turn, would be used to allocate funds to each lead entity list based on the number of points it received from the Panel.

Approach 2. The number of points received from the Review Panel would be used to group lead entity lists into four tiers. The tier in which a lead entity list falls would determine the amount of funds to be allocated to the list.

- Tier 1: High "fit" and high "specificity." Lists in this tier would receive the greatest number of dollars.
- Tier 2: High "fit" and medium "specificity;" medium "fit" and high "specificity."
- Tier 3: Medium "fit" and medium "specificity."
- Tier 4: Low "fit" and/or low "specificity." Lists in this tier would not receive any funding above that allocated through the first increment.

Approach 3. The 24 lead entity lists would be ranked according to the scores received from the Review Panel. The SRFB would look for groupings and break-points in the scores to divide the lists into several tiers. The tier in which a lead entity list falls would determine the amount of funds to be allocated to the list.

Partially-Funded Projects. In each of the approaches above, it is likely that the allocation to a given lead entity list would result the lowest ranked project receiving funding to be partially-funded. The ITF discussed two ways to address this:

- A. If a project receives less than half of the amount requested, the project would not be funded and the funding would be applied to partially-funded projects on other lead entity lists that receive half or more of the amount requested.
- B. The Board would hold back a portion of the second increment of funding—perhaps 10% of the total funding available—to complete partially-funded projects that could not otherwise be accomplished without full funding.

Accommodating the \$23.2 Million Minimum for Restoration Grants

With an estimated \$26 million available for the Fifth Grant Round and a statutory requirement that the Board must spend at least \$23,187,500 on restoration, there will be only about \$2.8 million available for acquisition grants and assessment grants that are not directly related to restoration. It is likely that requests for such non-restoration projects from lead entities will exceed this amount. If, after the first and second increments of funding for lead entity project lists are determined, there is insufficient funding for some of the non-restoration projects that would otherwise have been funded, the Board will have to decide which of these projects will receive the limited funds.

The ITF examined the three approaches proposed in the December 22, 2003 memo *Funding Acquisitions and Assessments If There Are Insufficient "Non-Restoration" Funds*: proration, rank-order, and separate evaluation. The ITF recommends that the Board delay making a decision on this issue until late spring or early summer. At that time there will be more information about the amount of funding available for the Fifth Round for non-restoration projects. The amount available will depend on Federal FY04 funding, uncommitted reappropriations from previous grant cycles, first glimpses of the FFY05 budget, and changes resulting from the 2004 Legislature.

Federal FY05 Funds

The state and federal funding estimated to be available for Fifth Round grants, \$26,000,000, does not take into consideration a possible Federal appropriation for FFY05. If the amount of FFY05 funding is known before the December SRFB meeting, the Board could add the additional funding to the total Fifth Round amount, add it to the second increment (the amount allocated based on "fit to strategy"), or set the funding aside for the Sixth Grant Round. The ITF recommends that the Board postpone deciding how to use FFY05 funds until the FFY05 budget begins to take shape.

New Definitions of Benefits and Certainty

Rollie Geppert presented the latest draft of the revised definitions. ITF members liked the new format and agreed that the draft definitions should again be circulated for comment prior to the February SRFB meeting.

Criteria to be Used by the Technical Advisors

To help ensure that every project funded by the Salmon Recovery Funding Board is technically sound, the Review Panel's technical advisors will note for the Review Panel and SRFB any projects they believe have low benefit to salmon, a low likelihood of being successful, and/or have costs that outweigh the anticipated benefits of the project. The proposed criteria for making this determination were listed in Attachment II of *The Fifth Grant Round: Decisions Made by the Salmon Recovery Funding Board at its December 4-5, 2003 Meeting*. Since no comments had been received to date on these criteria, the ITF decided not to discuss them but rather to forward them the SRFB for approval.

Before adjourning, the ITF decided not to set a future meeting date. Members agreed, however, that they would be available to meet if the SRFB chooses to refer additional issues to them.